Minutes King County Rural Forest Commission March 19, 2003 Preston Community Center

Commissioners present: Rudy Edwards, Steve Ketz, Bill Kombol, Ken Konigsmark, Fred McCarty, Doug McClelland, Dave Warren

Commissioners absent: Jean Bouffard, Gordon Bradley, Matt Mattson

Exofficio members: Mike Reed

Staff: Kathy Creahan, Bill Loeber, Kristi McClelland, Ted Sullivan, Benj Wadsworth

Guests: Lee Kahn, Dan Stencil

Doug McClelland called the meeting to order at 10:00 am.

Chair Report

Steve Ketz gave an update about Weyerhaeuser's sale of the Snoqualmie Tree Farm to Hancock Timber Investment Group. There have been a number of positive articles in the paper about the sale and the possibility of Hancock working with the County and conservation groups to conserve the forest. Doug pointed out that it is encouraging to see that there is so much support for conserving working forests — that did not exist three years ago. The Evergreen Forest Trust may not be involved at this point, but they are optimistic that the tax-free bond legislation will pass in Congress and that there will be other opportunities to make use of it as a funding mechanism to conserve forestland.

Doug feels that the RFC should provide direction to the Executive and Council that the top priority on the Snoqualmie Tree Farm should be to acquire the development rights. Additional conservation easements on riparian areas should be secondary. Steve elaborated that Forest and Fish is a very complex set of rules designed to protect fish habitat. Any additional conservation measures will not come free.

Ken asked if there has been any discussion with Hancock about using biosolids on the tree farm. He feels that there is potential.

Doug suggested that the RFC write a letter to the key people working on conserving the tree farm.

Lee Kahn commented that there seems to be a great deal of concern about the large forest ownerships, and as a result, many of the smaller landowners are being overlooked. Many of these small landowners are older and are dealing with estate tax issues. Doug agreed

and suggested that perhaps staff should develop a list of the "top 10 small forests." Kathy commented that there are a number of small forest ownerships that are TDR sending sites, and in fairness to these landowners, there ought to be an effort to acquire their development rights.

Ken suggested that identifying the important small forests should be a priority in 2003.

Dave Warren asked if the regulations proposed in 2000 to limit development in the FPD are back on the table since the Evergreen Forest deal fell through. There might be an opportunity to revisit the issue as part of the 2004 Comp Plan update.

Benj asked about Weyerhaeuser's status in KC following the sale. Steve thinks they still own 8000-10,000 acres in KC. Until the sale closes, Weyerhaeuser will continue to own the Snoqualmie Tree Farm.

Staff Report

Benj commented that there is an effort in the Water and Land Resources Division to develop a more systematic approach to land acquisition. Also, the Conservation Futures process is coming up soon. For both of these reasons, there is a need for the Forestry Program to identify the highest priorities for acquisition. Ken reiterated the need to develop a list of the top 10 tree farms. He suggested that such a list needs to be marketed to Council, etc. Kathy suggested that the qualified TDR sending sites should be priorities.

CUT assessment issue

Ted Sullivan, coordinator of the PBRS and Timberland programs for King County, provided a summary about how homesite values are calculated for land enrolled in the Timberland and PBRS programs. In the current system, in the PBRS program, a homesite is assessed proportionally, meaning that on a 10-acre parcel valued at \$100,000 with a 1-acre homesite, the homesite is valued at \$10,000 and the 9 acres of forestland are valued at \$90,000, assuming there is no potential for further development. In the Timberland program, the 1-acre homesite is not valued based on a proportion of the whole parcel, but rather on the market value of a comparable homesite. As a result, the tax break in the Timberland program is not as much of an incentive as it could be, mainly due to the homesite assuming a large portion of the land value.

Ted would like to see the system changed so that all properties are assessed based on the proportional rate. There is no requirement that would prohibit the County from making this change for property enrolled in PBRS, Timberland or RCW 84.33 (Forestland). The

change should provide a greater incentive for landowners to enroll. Ken asked how the proposed CAO might impact this decision. It will depend on whether or not properties affected by the 65/10 provision are automatically enrolled in CUT, as has been suggested. Bill Kombol commented that there is no real tax reduction to the County. Rather, there is a shift in tax burden to those who are not enrolled in the program. With the number of landowners in KC, the additional burden on non-enrolled landowners would be minimal.

Doug asked what the down-side to this change would be. Would anybody oppose the change? He also wondered what other Counties are using the proportionality system.

Lee Kahn commented that the taxes on her 40-acre parcel more than doubled this year – primarily due to the value of the homesite. Dan Stencil, formerly with the Assessor's office, commented that a small parcel with a house on it is worth almost as much as a large parcel with a house – the value is in the homesite, not the surrounding land.

Doug asked who needs to make the change – the Council or the Assessors office. John Sweetman in the Assessors office would be a good place to start. According to Ted, he may favor a proportional calculation for homesite vs. enrolled land. Doug asked if everyone was in favor of the RFC making a recommendation to make the change to proportionality. All in favor. He asked staff to look into the financial impact of shifting the tax burden. Dan Stencil commented that a change at the Assessors office could be temporary, and thus it might make sense to take the issue before Council as well.

Minutes Approval

Motion 1-303 "To adopt the February 12, 2003 minutes as written." Moved, seconded and approved.

CAO Update, comment letter

Kathy Creahan summarized the changes that have been suggested since the February meeting. It has been clarified that the County does not have jurisdiction over Class 1, 2, 3 and 4S forest practices. Parcels platted after 1960 are subject to a class 4G permit, which is regulated by the County and subject to SEPA. Ideally the state law should be changed so that the state handles permits in this situation. Barring that, the CAO will include wording that essentially exempts a 4G permit from SEPA and regulates it to the same standards as the Forest Practices Act. It would be called a "Non-conversion 4G permit." To be determined is how this would be implemented without excessive costs to the landowners. Removing the SEPA requirement would alleviate much of the cost. However, the County might not have the ability to exempt 4G permits from SEPA.

There is very little likelihood that the County will subsidize the permit cost. A more likely option is that the Forestry program would offer technical assistance to reduce the amount of time required of DDES staff.

Ted Sullivan asked to whom the letter would be sent. It would be sent to staff working on the CAO, particularly Stephanie Warden and Daryl Grigsby, the directors of WLRD and DDES. Ted has concerns about the recommendation that anyone subject to the CAO would automatically be enrolled in CUT. He feels there is a need to differentiate between regulations and incentives. He also feels that if there is a requirement that landowners submit a plan, there needs to be some assurance that the plan is implemented. Discussion ensued about the recommendation that anyone subject to the CAO should automatically qualify for PBRS or Timberland. Ken does not think it is legitimate to "sell" the CUT programs as a way to alleviate the pain of the CAO. Doug summarized by suggesting that the letter limit its recommendations to the CAO specifically, and that the RFC address the PBRS program in a separate letter. He suggested that using the PBRS program to soften the blow of the CAO might have the unintended consequence of undermining the PBRS program.

Doug suggested reformatting the letter into bullet form.

2003 Priorities

Doug listed the following as work items for 2003:

- Provide input to those working on the acquisition of the Snoqualmie Tree Farm.
- Identify the "top 12 small tree farms" and target them for conservation.
- Address the issue of proportionality with regard to assessments in the PBRS and Timberland programs.
- Address the concern that properties platted after 1960 are subject to County regulations.
- Follow the progress of the CAO and comment when necessary specifically with regard to shoreline regulations.

Bill Loeber suggested the need to collaborate more with the WA Small Forest Landowners Office and Washington Family Forest Association.

Ken Konigsmark suggested that the top priority for the Commission should be to get in front of Council and give them a comprehensive set of recommendations to conserve forests and forestry. He does not want the RFC to become irrelevant. Benj commented that staff recently completed a slideshow about the all of programs in the Office of Rural and Resource Programs. He is hoping that there will be an opportunity to present it to Council. Ken clarified that what is really needed is a list of specific recommendations. Doug suggested that it would be a good idea to present the list of 2003 work items. Ken

suggested the need to find someone to champion the issues. Dave Warren commented that there has not been much participation by Council on the field trips and flights. Mike Reed suggested that there would be interest on the part of the Natural Resource, Parks and Open Space Committee to address many of the issues discussed. He also feels that the RFC should continue to pursue field trips, particularly with the newer members of Council. Benj commented that one of the more successful outreach efforts was the presentation given to Council two summers ago when many of the RFC members were reconfirmed. It was broadcast repeatedly on KCTV. He wonders if there would be an opportunity to address the Committee again when the new members are appointed.

Doug suggested the need to focus on County-owned land that is not categorized as working forest but is in need of active management, such as the Polygon Open Space. He does not want to force active management, but he thinks that there is an educational opportunity.

Kathy suggested that the leaders of the Vashon Forest Coop should present to the RFC. She thinks that it is an exciting new effort that could serve as a model for other parts of the County.

Benj brought up the Forest Re-Connect and Local Wood Marketing campaign ideas. He thinks that both of these have potential but would probably require additional staff to carry them out. Dave Warren suggested inviting Tim Taylor from Built-e to talk to the Commission about local wood marketing.

Rudy suggested the need to put the discussed ideas into a formal strategic plan.

Mike Reed commented that there needs to be more discussion about recreational opportunities on private forestland. He thinks there is potential in this area. He also reminded everyone that Council is on recess for 2 weeks in August. It is not too soon to begin planning summer field trips for Council members.

Benj commented that Nick Pearson and Helena Wiley from the Community Salmon Fund presented to ORRP staff a month or so ago. They are hoping to get some applications from small forest landowners. Benj also received an e-mail from Kirk Hanson at the WA Small Forest Landowners Office suggesting the County and State might want to collaborate in encouraging small forest landowners to apply for this funding. Benj thinks there is potential to collaborate with those working on the salmon effort. The deadline for pre-proposals is April 1. Applicants must be non-profits or community groups, but the projects can be on private property. Benj suggested that the Vashon Coop might be an appropriate applicant.

Next meeting

Wednesday, April 9, 10:00 – 12:00, Preston Community Center.